

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF VALLEY)	CASE NO. 6902-Z
GAS, INC.)	

O R D E R

On February 12, 1978, the Commission issued its Order in Case No. 6902 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On January 14, 1987, Valley Gas, Inc., ("Valley") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), effective February 1, 1987, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Valley's notice of January 14, 1987, set out certain revisions in rates which Valley proposed to place into effect, said rates being designed to pass on a wholesale decrease in price from its supplier in the amount of \$12,605 or 23.39 cents per Mcf.

(2) Texas Gas filed an application for decreased rates with the Federal Energy Regulatory Commission ("FERC") to become effective February 1, 1987.

(4) Valley's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6902 dated February 12, 1978, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1987.

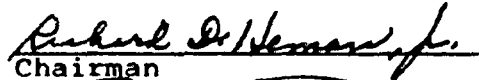
IT IS THEREFORE ORDERED that:

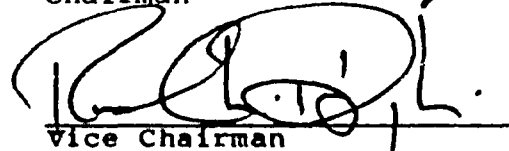
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1987.

(2) Within 30 days of the date of this Order Valley shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 3rd day of February, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 6902-Z DATED 2/3/87

The following rates and charges are prescribed for the customers served by Valley Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

All Mcf consumed over 1	\$3.5549 per Mcf
Minimum charge (0-1 Mcf)	\$3.56 per Meter per Month

The base rate for the future application of the purchased gas adjustment clause of Valley Gas, Inc., shall be:

Commodity

Texas Gas Transmission Corp.	\$2.9887 per Mcf
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